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Montreal, September 18, 2015

BY EMAIL

Norton Rose Fullbright Canada LLP
 1 Place Ville Marie, Suite 2500
 Montreal, Quebec H3B 1R1

Attention: Sylvain Rigaud

Dear Sirs:

Re: Amendment and consolidation of mining leases between Canadian Javelin Limited (now MFC Industrial Ltd.) and Wabush Iron ("Wabush Iron") dated September 2, 1959, as amended (the "Sublease")
 Our file: 39724-1

We are in receipt of your letter dated September 11, 2015. Wabush Iron's obligation to pay the "Minimum" under the Sublease is set forth at Clause A(1) thereof, which provides that:

"Provided, however, that, for each calendar quarter during which this Indenture remains in effect after January 1, 1960, and regardless of whether the Lessee shall conduct on the Demised Premises any mining or other operations, the Lessee shall, on the Quarterly Payment Dates, pay the Lessor a quarterly minimum royalty (hereinafter called the "Minimum") equal to one-quarter of an amount calculated at the rate of thirty cents (\$.30), Canadian Funds, per Gross Ton on the following tonnages:

*...
 During 1973 and each year thereafter 10,833,000 Gross Tons per year"*

We note that the tonnage figure above was increased from "10,000,000" to "10,833,000" pursuant to the Amendment of Amendment and Consolidation of Mining Lease dated August 8, 1961 between the parties.

Based on the foregoing, the "Minimum" under the Sublease that was payable by Wabush Iron under the Sublease on July 25, 2015 was \$812,250 and not \$750,000. As such, Wabush Iron did not remit the full amount of the "Minimum" when due and is, therefore, in default under the Sublease. As set forth in the September 3, 2015 notice, our client

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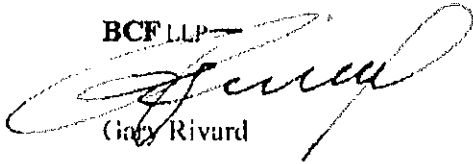
reserves its rights to pursue all such remedies as may be available to in connection with such default, including the termination of the Sub-Lease, which may be subject to the prior lifting of the stay of proceedings ordered by the Honourable Mr. Justice Hamilton dated May 20, 2015 and related proceedings under the Companies' Creditors Arrangement Act involving Wabush Iron and related entities.

We trust the foregoing to be in order. Please do not hesitate to contact the undersigned if you require any further clarifications regarding the foregoing.

We trust the above to be satisfactory.

Yours truly,

BCF LLP



(Gary Rivard)

GR/ct

cc. FTI Consulting Canada Inc.
(Attn: Nigel Meakin and Steven W. Bissell)

Blakes, Cassels & Graydon LLP
(Attn: Steven Weisz)

Sangra Moller LLP
(Attention: Harjit Sangra and Rod Talafar)

Client